

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

South International Falls Post Office
South International Falls, Minnesota 56679

Docket No. A2011-63

UNITED STATES POSTAL SERVICE COMMENTS REGARDING APPEAL
(October 31, 2011)

By means of Order No. 846 (September 9, 2011), the Postal Regulatory Commission docketed correspondence from customers of the South International Falls, Minnesota Post Office, assigning PRC Docket No. A2011-63 as an appeal pursuant to 39 U.S.C. § 404(d). The Commission also received correspondence in this matter from Leroy Gartzke on September 15, 2011.¹ Petitioners did not file a participant statement or other pleading in support of their appeal. In accordance with Order No. 846, the administrative record was filed with the Commission on September 21, 2011.

The initial correspondence received by the Commission in this docket raises three main issues: (1) the effect on postal services, (2) the impact upon the South International Falls community, and (3) the impact on employees. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,² the Postal Service gave consideration to a number of other issues, including the calculation of economic savings expected to result from the conversion of the South International Falls Post Office to a classified branch.

Accordingly, the Final Determination to Close the Suspended South International Falls,

¹ Petition Received from Leroy Gartzke Regarding the S Intl Falls, MN Post Office 56679, PRC Docket No. A2011-63 (September 21, 2011).

² See 39 U.S.C. 404(d)(2)(A).

MN Post Office and Continue to Provide Service through a Classified Branch should be affirmed.

Background

The Final Determination to Close the Suspended South International Falls, MN Post Office and Continue to Provide Service through a Classified Branch (Final Determination), as well as the administrative record, indicate that the South International Falls Post Office provided service 32 hours per week to retail customers and 90 Post Office Box customers. Item No. 9, Post Office Closing or Consolidation Proposal Fact Sheet (Fact Sheet), at 1.³ In 1988, the South International Falls Post Office was suspended and converted to a classified branch of the International Falls, Minnesota Post Office. Item No. 10, Proposal to Consolidate the South International Falls MN Post Office and Continue to Provide Service at a Classified Branch (Proposal), at 2. Because at the time of the suspension the official process for consolidation was not completed, the Postal Service is now applying the proper discontinuance procedures to finalize the conversion and formalize the South International Falls retail facility's status as a branch. *Id.* at 4. Since the suspension of the South International Falls Post Office, a career employee has operated the South International Falls facility, which offers the same services as a Post Office and has the same location as the suspended South International Falls Post Office. *Id.* at 2-3. Upon implementation of the Final Determination, the South International Falls facility will continue to operate as it has for the last 23 years. *Id.* at 4.

³ In these comments, specific items in the administrative record are referred to as "Item No. ____."

The Postal Service followed the proper procedures leading up to the posting of the Final Determination, considered and addressed the issues raised by the customers of the South International Falls Post Office, and complied with all notice requirements. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. In 1988, questionnaires were distributed to delivery customers and made available to retail customers of the South International Falls Post Office. Item No. 10, Proposal, at 2. In the fall of 1988, representatives from the Postal Service attended a community meeting regarding the conversion of the South International Falls Post Office, where they answered questions and provided information to customers. *Id.* Customers received formal notice of the Proposal and Final Determination, as well as the right to appeal the Final Determination, through postings at the South International Falls Post Office and nearby facilities. Item No. 17, at 1; Administrative Record, page 47.

Regular and effective postal services will continue to be provided to the South International Falls community in a cost-effective manner upon implementation of the Final Determination. Each of the issues raised by Petitioners is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii), and as addressed throughout the administrative record, the Postal Service considered the effect on postal services provided to South International Falls customers that would arise from implementation of the Final Determination. The conversion of the South International Falls Post Office to a classified branch is premised upon providing regular and effective postal services to South International Falls customers.

In their letters of appeal, Petitioners raise the issue of the effect on postal services resulting from the South International Falls Post Office's conversion to a branch, noting the convenience of the South International Falls Post Office and requesting its retention. Each of these concerns was considered by the Postal Service.

The effect of the Final Determination on the availability of postal services to South International Falls residents was considered extensively by the Postal Service. Item No. 10, Proposal, at 2-3. Upon the implementation of the Final Determination, there will be no change in the services available to South International Falls customers, or in the location where these services are available. *Id.* at 3. Various options exist for obtaining postal services, which are explained on www.usps.com.

The Postal Service has considered the impact upon the provision of postal services to South International Falls customers arising from implementation of the Final Determination. South International Falls customers will experience no change in the services available to them, or in the location where these services are available. Thus,

the Postal Service has properly concluded that all South International Falls customers will continue to receive regular and effective service.

Effect Upon the South International Falls Community

The Postal Service is obligated to consider the effect upon the South International Falls community arising from its decision to convert the South International Falls Post Office to a classified branch. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to discontinue a Post Office.

South International Falls is an unincorporated community located in Koochiching County. Item No. 10, Proposal, at 3. The city of International Falls provides police and fire protection. *Id.* In general, South International Falls residents must travel elsewhere for other supplies and services. See *id.*

The Petitioners' letters of appeal raise the issue of the effect of the conversion of the South International Falls Post Office upon the South International Falls community. This issue was extensively considered by the Postal Service, as reflected in the administrative record. Item No. 10, Proposal, at 2-3. Communities generally require regular and effective postal services, and these will continue to be provided to the South International Falls community.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of the final determination on the community served by the South International Falls Post Office.

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The former postmaster retired, and there will be no impact on current employees of the South International Falls facility. See Item No. 10, Proposal, at 3. Accordingly, in making the final determination, the Postal Service considered the effect of the conversion on the employees at the South International Falls Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Economic Savings

Postal Service officials properly considered the economic savings that would result from the proposed conversion, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). Item No. 10, Proposal, at 3. The Postal Service determined that it is more effective to operate the South International Falls Post Office as a branch. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. Consistent with its statutory obligations and Commission precedent, the Postal Service has considered the economic savings to the Postal Service resulting from such a conversion. See 39 U.S.C. § 404(d)(2)(A)(iv).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effects on the provision of postal services and the South International Falls community arising from implementation of the Final Determination, as well as the effect on postal employees, the economic savings that would result from the proposed conversion, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of conversion outweigh the disadvantages. In addition, the Postal Service concluded that after the conversion, the Postal Service will continue to provide effective and regular service to South International Falls customers. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record, and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). Accordingly, the Postal Service's final determination should be affirmed.

Respectfully submitted,

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October 31, 2011